

Appendix 1

EXAMPLE OF CALCULATION FOR THE SETTLEMENT OF LENDING FACILITY TRANSACTION

A Bank made a Lending Facility transaction during 1 (one) day-tenure on June 17, 2010 with a Repo rate of 7.5% and due on June 18, 2010.

Table 1. Calculation of the Settlement Value

Securities	Nominal value (million Rp)	Securities Price ¹⁾ (%)	Haircut (%)	Accrued interest/ Right ²⁾ (million Rp)	First leg settlement value (million Rp)	Repo interest (million Rp)	Second leg settlement value (million Rp)
(1)	(2)	(3)	(4)	(5)	(6) = {(2)x[(3)-(4)]} + (5)	(7) = (6) x 7.5% x 1/360	(8) = (6) + (7)
1. SBI	10,000	98.46433	0	-	9,846.43	2.05	9,848.48
2. FRxxxx	20,000	110.37000	5	195.65	21,269.65	4.43	21,274.08
3. ZCxxxx	5,000	83.62000	5	-	3,931.05	0.82	3,931.87
4. SPN	5,000	99.46000	5	-	4,723.00	0.98	4,723.98
5. SBSN	5,000	114.23600	5	116.88	5,578.68	1.16	5,579.84

Remarks:

- 1) Securities Prices on the first leg settlement date are as announced in BI-SSSS.
- 2) Accrued interest/right from the last coupon/return payment date up to and including the first leg settlement date.

Formula for the calculation:

1. First leg settlement value

a. For SBI, ZCB and SPN

$$\text{First leg settlement value} = \frac{\text{Nominal Value of Securities subject to repo}}{\text{Securities Price} - \text{Haircut}} \times \left(\text{Securities Price} - \text{Haircut} \right)$$

b. For Government Bond including Retail Government Bond and SBSN with coupons

$$\text{First leg settlement value} = \left[\frac{\text{Nominal Value of Securities subject to repo}}{\text{Securities Price} - \text{Haircut}} \times \left(\text{Securities Price} - \text{Haircut} \right) \right] + \frac{\text{Accrued interest}}{\text{yield}}$$

2. Second leg settlement value

$$\text{Second leg settlement value} = \text{First leg settlement value} + \frac{\text{Lending Facility Repo Interest}}$$

Appendix 2

EXAMPLE OF CALCULATION FOR OUTRIGHT SALE TRANSACTION

When the Lending Facility transaction matured on June 18, 2010, the Bank failed to fulfill its second leg settlement obligation. The Lending Facility transaction failing in the second leg settlement was treated as an outright sale transaction on Securities by the Bank.

- A. Securities Prices on the first leg transaction date and on the outright transaction date were unchanged, therefore the calculation of the outright transaction value shall be as follows:

Table 2. Calculation of Outright Transaction Value (fixed price)

Securities	Nominal value (million Rp)	Securities Price ¹⁾ (%)	Accrued interest/ Return ²⁾ (million Rp)	Outright transaction value (million Rp)
(1)	(2)	(3)	(4)	(5) = [(2)x(3)]+(4)
1. FRxxxx	20,000	110.37000	201.77	22,275.77
2. ZCxxxx	5,000	83.62000	-	4,181.05
3. SPN	5,000	99.46000	-	4,973.00
4. SBSN	5,000	114.23600	118.14	5,829.94

Remarks:

- 1) Securities Prices on the outright transaction date are as announced in BI-SSSS.
- 2) Accrued interest/return from the last coupon/return payment date up to and including the outright settlement date.

Formula for the calculation of outright transaction value:

- a. For SPN, ZCB and SBSN without coupon

$$\text{Outright Settlement Value} = \frac{\text{Nominal Value of Securities}}{\text{Securities Price}} \times \text{Securities Price}$$

- b. For Government Bond including Retail Government Bond and SBSN with coupons

$$\text{Outright Settlement Value} = \left(\text{Nominal Value of Securities} \times \text{Securities Price} \right) + \text{Accrued interest/yield}$$

Table 3. Difference between the Second Leg Settlement Value and the Outright Transaction Value (fixed price)

Securities	Nominal value (million Rp)	Second leg settlement value (million Rp)	Outright transaction value (million Rp)	Difference between (3) and (4) (million Rp)
(1)	(2)	(3)	(4)	(5)
1. FRxxxx	20,000	21,274.08	22,275.77	1,001.68
2. ZCxxxx	5,000	3,931.87	4,181.05	249.18
3. SPN	5,000	4,723.98	4,973.00	249.02
4. SBSN	5,000	5,579.84	5,829.94	250.09

Since the second leg settlement obligation values (column (3)) were lower than the outright transaction values (column (4)), Bank Indonesia credited the Demand Deposit Account in the amount of such value differences (column (5)).

- B. Securities Prices on the outright transaction date were lower than the prices on the first leg transaction date, therefore the calculation of the outright transaction value shall be as follows:

Table 4. Calculation of Outright Transaction Value (decreased price)

Securities	Nominal value (million Rp)	Securities Price ¹⁾ (%)	Accrued interest/ Return ²⁾ (million Rp)	Outright transaction value (million Rp)
(1)	(2)	(3)	(4)	(5) = [(2)x(3)]+(4)
1. FRxxxx	20,000	105.00000	201.77	21,201.77
2. ZCxxxx	5,000	78.00000	-	3,900.00
3. SPN	5,000	94.00000	-	4,700.00
4. SBSN	5,000	109.00000	118.14	5,568.14

Remarks:

- 1) Securities Prices on the outright transaction date are as announced in BI-SSSS.
- 2) Accrued interest/right from the last coupon/return payment date up to and including the outright settlement date.

Table 5. Difference between the Second Leg Settlement Value and the Outright Transaction Value (decreased price)

Securities	Nominal value (million Rp)	Second leg settlement value (million Rp)	Outright transaction value (million Rp)	Difference between (3) and (4) (million Rp)
(1)	(2)	(3)	(4)	(5)
1. FRxxxx	20,000	21,274.08	21,201.77	72.31
2. ZCxxxx	5,000	3,931.87	3,900.00	31.87
3. SPN	5,000	4,723.98	4,700.00	23.98
4. SBSN	5,000	5,579.84	5,568.14	11.70

Since the second leg settlement obligation values (column (3)) were higher than the outright transaction values (column (4)), Bank Indonesia debited the Demand Deposit Account in the amount of such value differences (column (5)).

- C. In the event that on the second leg transaction date the Securities prices increase above the prices on the first leg transaction date, the prices used in the calculation for outright transaction shall be the prices on the first leg transaction. Bank Indonesia shall credit the Demand Deposit Account in the amount of the difference between the outright transaction value (using first leg prices) and the second leg settlement value.

Table 6. Calculation for Outright Transaction Value (increasing price)

Securities	Nominal value (million Rp)	Securities Price ¹⁾ (%)	Securities Price for outright transaction ²⁾	Accrued interest/ Return ³⁾ (million Rp)	Outright transaction value (million Rp)
(1)	(2)	(3)	(4)	(5)	(6) = [(2)x(4)]+(5)
1. FRxxxx	20,000	112.00000	110.37000	201.77	22,275.77
2. ZCxxxx	5,000	85.00000	83.62000	-	4,181.05
3. SPN	5,000	101.00000	99.46000	-	4,973.00
4. SBSN	5,000	117.00000	114.23600	118.14	5,829.94

Remarks:

- 1) Securities Prices on the outright transaction date are as announced in BI-SSSS.
- 2) In the event that the Securities prices in the outright transaction are higher than the prices on the first leg transaction date, the calculation for outright transaction shall use the prices on the first leg transaction date.
- 3) Accrued interest/right from the last coupon/right payment date up to and including the outright settlement date.

Table 7. Difference between the Second Leg Settlement Value and the Outright

Transaction Value (increasing price)

Securities	Nominal value (million Rp)	Second leg settlement value (million Rp)	Outright transaction value (million Rp)	Difference between (3) and (4) (million Rp)
(1)	(2)	(3)	(4)	(5)
1. FRxxxx	20,000	21.274,08	22.275,77	1.001,69
2. ZCxxxx	5,000	3.931,87	4.181,05	249,18
3. SPN	5,000	4.723,98	4.973,00	249,02
4. SBSN	5,000	5.579,84	5.829,94	250,10

Since the second leg settlement obligation values (column (3)) were lower than the outright transaction values (column (4)), Bank Indonesia credited the Demand Deposit Account in the amount of such value differences (column (5)).

Appendix 3

EXAMPLE OF IMPOSITION OF SANCTION FOR THE CANCELLATION OF MONETARY OPERATION TRANSACTIONS

Case 1

There were 6 (six) cancellations of Monetary Operation transactions during 6 (six) month-tenure, namely 1 (one) purchase transaction of Sovereign Debt Securities by BI in the secondary market, 1 (one) 1 (one)-month Bank Indonesia Certificate auction transaction, 1 (one) deposit facility transaction, 1 (one) sale transaction of Sovereign Debt Securities by BI in the secondary market, 1 (one) Term Deposit transaction with 3 (three)-day tenure and 1 (one) Repo transaction with 7 (seven)-day tenure.

Date of Transaction Cancellation	13 Jul 2010	16 Sep 2010	9 Dec 2010
Cancelled Transaction	Purchase of Sovereign Debt Securities by BI in the secondary market	Auction of 1-month Bank Indonesia Certificate	1) Deposit facility 2) Sale of Sovereign Debt Securities by BI in the secondary market 3) Term Deposit with 3 (three)-day tenure 4) Repo with 7 (seven)-day tenure
Number of Cancellation	1	1	4
Accumulation of Cancellation	1	2	6 ¹⁾
Sanction Imposition Date	14 Jul 2010	17 Sep 2010	10 Dec 2010
Sanction	a. A written reprimand; and b. A financial penalty of 0.01% (one per ten thousandth) of the nominal value of the cancelled transaction, in a minimum of Rp10 million and in a maximum of Rp100 million.	a. A written reprimand; and b. A financial penalty of 0.01% (one per ten thousandth) of the nominal value of the cancelled transaction, in a minimum of Rp10 million and in a maximum of Rp100 million.	a. A written reprimand; b. A financial penalty of 0.01% (one per ten thousandth) of the nominal value of the cancelled transaction, in a minimum of Rp10 million and in a maximum of Rp100 million; and c. Temporary of its participations in Monetary Operations activities for 5 (five) consecutive business days, namely the 10 th , 13 th , 14 th , 15 th and the 16 th of December 2010.

¹⁾ Accumulation of cancellation of Monetary Operation transactions of 6 (six) times since July 13, 2010.
The next 6 (six)-month tenure shall commence from the occurrence of the next cancellation.

Case 2 ...

Case 2

There were 5 (five) Monetary Operation transaction cancellations during 6 (six) month-tenure, namely 1 (one) purchase transaction of Sovereign Debt Securities by BI in the secondary market, 1 (one) lending facility transaction, 1 (one) sale transaction of Sovereign Debt Securities by BI in the secondary market, 1 (one) Term Deposit transaction with 3 (three)-day tenure and 1 (one) Repo transaction with 7 (seven)-day tenure.

Subsequently, there were 3 (three) Monetary Operation transaction cancellations during 6 (six) month-tenure, namely 1 (one) deposit facility transaction and 2 (two) Bank Indonesia Certificate auction transactions (auction of 1-month Bank Indonesia Certificates and Auction of 3-month Bank Indonesia Certificates).

Date of Transaction Cancellation	13 Jul 2010	9 Aug 2010	9 Dec 2010	16 Dec 2010
Cancelled Transaction	Purchase of Sovereign Debt Securities by BI in the secondary market	1) Lending facility 2) Sale of Sovereign Debt Securities by BI in the secondary market 3) Term Deposit with 3 (three)-day tenure 4) Repo with 7 (seven)-day tenure	Deposit Facility	1) Auction of 1-month Bank Indonesia Certificate 2) Auction of 3-month Bank Indonesia Certificate
Number of Cancellation	1	4	1	2
Accumulation of Cancellation	1	5 ²⁾	1	3 ³⁾
Sanction Imposition Date	14 Jul 2010	10 Aug 2010	10 Dec 2010	17 Dec 2010
Sanction	a. A written reprimand; and b. A financial penalty of 0.01% (one per ten thousandth) of the nominal value of the cancelled transaction in a minimum of Rp10 million and in a maximum of Rp100 million.	a. A written reprimand; b. A financial penalty of 0.01% (one per ten thousandth) of the nominal value of the cancelled transaction, in a minimum of Rp10 million and in a maximum of Rp100 million; and c. Temporary suspension of its participations in Monetary Operations activities for 5 (five) consecutive business days, namely the 11 th , 12 th , 13 th , 16 th and 18 th of August 2010.	a. A written reprimand; and b. A financial penalty of 0.01% (one per ten thousandth) of the nominal value of the cancelled transaction, in a minimum of Rp10 million and in a maximum of Rp100 million.	a. A written reprimand; b. A financial penalty of 0.01% (one per ten thousandth) of the nominal value of the cancelled transaction, in a minimum of Rp10 million and in a maximum of Rp100 million; and c. Temporary suspension for 5 (five) consecutive business days, namely the 17 th , 20 th , 21 st , 22 nd and 23 rd of December 2010.

²⁾ Accumulation of cancellation of Monetary Operations transactions of 5 (five) times since July 13, 2010.

³⁾ Accumulation of cancellation of Monetary Operations transactions of 3 (three) times since August 9, 2010.

The next 6 (six)-month tenure shall commence from the occurrence of the next cancellation.

Case 3 ...

Case 3

On July 13, 2010, there was 1 (one) cancellation of transaction on the purchase of Sovereign Debt Securities by BI in the secondary market.

On August 9, 2010, there was 1 (one) Deposit Facility transaction cancellation. Therefore, the accumulated number of cancellation was 2 (two) as from July 13, 2010 (still during 6 (six)-month tenure).

On January 24, 2011, there was 1 (one) Deposit Facility transaction cancellation. The accumulation of cancellation was not commenced from the cancellation on July 13, 2010 since the 6 (six)-month tenure has lapsed, rather it was commenced as from the cancellation on August 9, 2010. Therefore the accumulated number of cancellations was 2 (two).

Subsequently, on February 3, 2011 there was 1 (one) cancellation of 1 (one)-month Bank Indonesia Certificate auction transaction. The accumulation of cancellation is 3 (three) times, started from the cancellation on August 9, 2010 (still in 6 (six)-month tenure).

Date of Transaction Cancellation	13 Jul 2010	9 Aug 2010	24 Jan 2011	3 Feb 2011
Cancelled Transaction	Purchase of Government Bonds by BI in the secondary market	Deposit Facility	Deposit Facility	Auction of 1-month Bank Indonesia Certificate
Number of Cancellation	1	1	1	1
Accumulation of Cancellation	1	2	2 ⁴⁾	3 ⁵⁾
Sanction Imposition Date	14 Jul 2010	10 Aug 2010	25 Jan 2011	4 Feb 2011
Sanction	a. A written reprimand; and b. A financial penalty of 0.01% (one per ten thousandth) of the nominal value of the cancelled transaction, in a minimum of Rp10 million and in a maximum of Rp100 million.	a. A written reprimand; and b. A financial penalty of 0.01% (one per ten thousandth) of the nominal value of the cancelled transaction, in a minimum of Rp10 million and in a maximum of Rp100 million.	a. A written reprimand; and b. A financial penalty of 0.01% (one per ten thousandth) of the nominal value of the cancelled transaction, in a minimum of Rp10 million and in a maximum of Rp100 million.	a. A written reprimand; b. A financial penalty of 0.01% (one per ten thousandth) of the nominal value of the cancelled transaction, in a minimum of Rp10 million and in a maximum of Rp100 million; and c. Temporary suspension of its participation in Monetary operations activities for 5 (five) consecutive business days, namely the 4 th , 7 th , 8 th , 9 th and 10 th of February 2011.

⁴⁾ Accumulation of cancellation of OMO transactions of 2 (two) times since August 9, 2010. The cancellation on January 24, 2011 was beyond the 6-month tenure commencing from the cancellation on July 13, 2010, however it was still in the 6-month tenure commencing from the cancellation on August 9, 2010.

⁵⁾ Accumulation of cancellation of OMO transactions of 3 (three) times since August 9, 2010. The cancellation on February 3, 2011 was beyond the 6-month tenure commencing from the cancellation on July 13, 2010, however it was still in the 6-month tenure commencing from the cancellation on August 9, 2010. The next 6 (six)-month tenure shall commence from the occurrence of the next cancellation.